

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF OAK HILL WATER)	
ASSOCIATION, INC. FOR A DEVIATION PURSUANT))	CASE NO.
TO 807 KAR 5:066, SECTION 5(4), REGARDING))	91-400
WATER STORAGE)	

O R D E R

On October 31, 1991, the Commission received a request from Oak Hill Water Association, Inc. ("Oak Hill") for a permanent deviation from Commission Regulation 807 KAR 5:066, Section 5(4), which requires each utility to provide water storage to ensure a minimum of one day's supply of average daily water usage. Oak Hill states in its application that its supplier, Kentucky Water Service Company, Inc. ("Water Company"), has adequate capacity to provide the storage required by Oak Hill.

In order for the Commission to grant a deviation from Oak Hill's water storage requirement based on the allocation of water storage for Oak Hill by its supplier, the Commission requires a statement from the Water Company that said Oak Hill's storage will indeed be allocated. The Water Sale Agreement submitted with the application contains no guarantee of such allocation nor the time period during which said allocation will be guaranteed.

Having reviewed the evidence of record and being otherwise sufficiently advised, the Commission finds that further

information is needed to determine whether the proposed deviation should be approved by the Commission.

IT IS THEREFORE ORDERED that Oak Hill shall file with the Commission within 14 days of the date of this Order an amendment to the Water Sale Agreement or, in the alternative, a statement from the Water Company which clarifies that it will allocate water storage to Oak Hill. The statement or amendment shall also specify a time period during which the allocation is guaranteed. A copy of such an agreement, which was acceptable to the Commission in a prior proceeding, has been attached hereto and incorporated by reference herein as Exhibit A.

Done at Frankfort, Kentucky, this 20th day of November, 1991.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman

Commissioner

ATTEST:


Executive Director



P O BOX 308
315 WEST SECOND STREET
FRANKFORT, KENTUCKY 40602

WARNER J. CAINES
GENERAL MANAGER

July 10, 1990

PHONE
AREA CODE 502
223 345

Mr. Berl Robinson, Sr.
Chairman & General Manager
Farmdale Water District
100 Highwood Drive
Frankfort, Kentucky 40601

Dear Mr. Robinson:

You have requested, on behalf of the Farmdale Water District, that the Frankfort Electric & Water Plant Board agree to provide assurances regarding the availability to the District of water from the Plant Board's storage facilities.

The Frankfort Electric & Water Plant Board hereby gives its assurance and states that the Plant Board's stored water supply will be made available to the Farmdale Water District in the same manner and for the same purposes for which stored water is maintained for all other customers, and subject to the Plant Board's Rules and Regulations governing water usage and supply. The Plant Board hereby states that this commitment is for a period of five (5) years from the date of this letter.

It is the Board's understanding that this assurance, along with the District's present storage facilities, should allow the District to comply with Kentucky Public Service Commission requirements for water storage.

If you should need further assistance, or information as regards to your supply of water, please contact Mr. Warner Caines.

Sincerely,

Bruce Dungan

Bruce Dungan, Chairman
Frankfort Electric and
Water Plant Board

cc: Bob Bowman
David Sandidge
J. H. Sullivan
Chron File
Farmdale File

EXHIBIT A